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SUBJECT: SLOVENIA: COM AND NEW LABOR MINISTER DISCUSS
PRIORITIES, INCLUDING TEMP WORK PERMITS FOR TRAFFICKING
VICTIMS

11. (SBU) SUMMARY: In a 16 February courtesy call, new Labor Minister Janez Drobnic told COM that combatting unemployment is his top priority, with a focus on introducing programs to help the disabled, the elderly, and first-time job-seekers. Drobnic also listed improving MoL's IT base as a key priority. COM pressed Drobnic on labor initiatives to make Slovenia more attractive for U.S. investment, prompting Drobnic to describe the need for greater flexibility of labor and a more mobile workforce. Drobnic agreed immediately when COM urged him to work with a local NGO to allow temporary work permits for human trafficking victims and said cooperation on this front was already underway. END SUMMARY.

12. (U) COM was accompanied by DCM and Pol-Miloff on his first courtesy call on new Minister for Labor, Family and Social Affairs Janez Drobnic on 16 February. Drobnic was joined by Chief of Staff Valentin Hajdinjak and Head of International Cooperation Jana Lovsin.

PRIORITIES: UNEMPLOYMENT TOPS THE LIST

13. (SBU) UNEMPLOYMENT: Drobnic said his top priority is combatting unemployment by creating work opportunities both in general and for specific groups, such as older and disabled workers. Drobnic said "registered unemployment" in Slovenia exceeds ten percent, but that the ILO figure for Slovenia is 6.4 percent. Drobnic said his working assumption is that approximately six to seven percent of the population is actually unemployed, making Slovenia comparable to other EU countries. He said Ireland could serve as a good model for Slovenia in driving down unemployment. He cited the need for a more flexible labor force and improvements in labor relations.

14. (SBU) DISABLED, ELDERLY AND YOUNG UNEMPLOYED: Drobnic said a new law introduced earlier this year will ensure new jobs and more flexible work for the disabled. While eight percent of Slovenes are disabled, Drobnic noted that the majority of those are retired. He said 50,000 disabled Slovenes are in the labor market, but that 20,000 of those are currently unemployed. For other target groups, Drobnic said the MoL is developing training programs for young, first-time job-seekers, as well as special programs for the elderly unemployed. He added that these programs would be applied "horizontally" (i.e. across the country), regionally, and in hard-hit localities that qualify for special European Commission support.

15. (SBU) INFORMATION TECHNOLOGY: Citing EU-inspired priorities, Drobnic said MoL would seek to introduce new information technology that will help Slovenia achieve sustainable growth and a dynamic economy. Drobnic suggested that a better IT base would give his ministry the tools it needs to "see what's wrong" with the labor market. He said funding for "social aims" (such as unemployment benefits) had risen in the past two years and pointed out that the accumulation of subsidies available to the unemployed can exceed the minimum wage. Drobnic lamented this disincentive to look for "appropriate work."

COM PUSHES FOR FDI-FRIENDLY POLICIES

16. (SBU) FDI PROSPECTS: COM explained Post's priority of increasing U.S. investment in Slovenia, mentioning that U.S. companies were attracted to Slovenia's highly qualified workforce but were sometimes put off by the high costs of "limited (labor) flexibility." Drobnic agreed that workers' mobility is a problem in Slovenia, saying "it is not in our culture to move during our working lives." Nonetheless, he recognized the need from an investor's standpoint to have more control over hiring and firing, in addition to a more mobile pool of workers. More importantly, Drobnic recognized that government policies to create more flexibility for employers and stimulate greater workforce mobility would ultimately stimulate the economy and produce more jobs.

17. (SBU) TRADE UNIONS: In response to COM's question about how trade unions might impact GoS labor policies, Drobnic replied that the EU provides Slovenia with leverage in that

respect. He said EU standards have improved prospects for investment and employment opportunities since they were adopted by Slovenia last year. Drobnic said that organized labor in Slovenia recognizes the need to move toward greater flexibility and a more mobile workforce, adding that "competitiveness within the European region depends on it."

18. (SBU) FUTURE TRENDS: Asked by COM to predict future labor market trends, Drobnic said that employment opportunities would continue to fall in the textile, leather and clothing industries. He said, however, that the trend would be countered by increased opportunities in the service industry. Nonetheless, Drobnic said it would be important for Slovenia to support its "primary economic sector (or industrial base)," because it would be hard to develop the services sector without a strong such industrial base. He added that Slovenia is not attractive for financial sector investors.

TRAFFICKING IN PERSONS: TEMPORARY WORK PERMITS FOR VICTIMS

19. (SBU) COM raised the issue of Trafficking in Persons (TIP) with Drobnic, urging the MoL to work with the local NGO Kljuc to draft regulations allowing trafficking victims in Slovenia to apply for temporary work permits. As COM explained, encouraging the victims to stay in the country while traffickers are prosecuted can ultimately lead to a higher conviction rate. While he had not been thoroughly briefed on the details of MoL's cooperation with Kljuc, Drobnic immediately responded that he knew of the Kljuc initiative and "support(ed) it completely." Drobnic noted that U.S. cooperation had helped the GoS - and the MoL, specifically - make progress on TIP. He acknowledged that Slovenia is not just a transit country, but also a destination country, and he stressed the importance of ensuring support for trafficking victims. Drobnic's staff later told DCM that MoL had recently sent amendments back to the GoS interministerial working group on TIP regarding the rights of trafficking victims to work in Slovenia. They added that a separate document had been prepared by the Interior Ministry to guarantee victims the right to reside in Slovenia.

COMMENT AND BIOGRAPHICAL NOTE

110. (SBU) COMMENT: Drobnic set a very friendly tone in this first official meeting with COM. He seemed to grasp the challenges facing his ministry quite clearly, and we hope he will provide the leadership necessary to push through labor reforms that will make Slovenia more attractive for foreign investment. Drobnic has a long history of working to create employment opportunities for the disabled, perhaps explaining his focus on this group when discussing MoL priorities. He has also been a member of an international association to offer support to crime victims - the White Ring Association - perhaps explaining his immediate expression of support for regulations to help trafficking victims. Unfortunately, Drobnic's sympathies may not extend to all sectors of society. His recent rather negative public statements on gay rights and same-sex partnerships have prompted a group of European Parliament Members to ask EC President Barroso to call upon the GoS to retract Drobnic's statements publicly. The MEPs' letter of 03 February alleges that Drobnic has also made public expressions of intolerance toward single mothers, Roma and Muslims in the past. END COMMENT.

111. (U) BIOGRAPHICAL NOTE: Drobnic was born on 23 October 1957 in Globela pri Sodrazici. He obtained a diploma from the College of Labor Organization in Kranj and later earned a master's degree in Sociology from the University of Ljubljana in 1991. He was elected to Parliament in 2000 and he became the leader of the Nova Slovenija (NSi) Parliamentary Group in 2002. In Parliament, he was active on the Committee for Supervision of Security and Intelligence Services and the Committee for Labor, Family, Social Policy and Health Care. Drobnic was the only Slovenian politician in a pre-U.S. election survey who stated publicly that he would vote for President Bush if given the opportunity, remarking that the President's political agenda was close to his own. Drobnic

is an avid skier. His English skills are good, but sometimes lacking in fluency. END NOTE.
ROBERTSON

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